

	MISSOURI DEPARTMENT OF HEALTH AND SENIOR SERVICES CHILD AND ADULT CARE FOOD PROGRAM	ISSUED	REVISED	CHAPTER	SECTION
	AT-RISK AFTER SCHOOL PROGRAMS POLICY & PROCEDURE MANUAL	7/1/03	2/12	8	8.2
CHAPTER Chapter 8. The Monitoring Visit		SUBJECT Deficiencies/Disallowances			

Claims for meals will be disallowed if the records from a CACFP monitoring review do not support the claim for reimbursement. If the institution does not agree with the findings of the CACFP review, an appeal may be filed. See Chapter 10, Complaint and Appeal Procedures.

When an institution does not comply with Program requirements, it may be determined to be seriously deficient. When an institution is determined to be seriously deficient, the center/sponsoring organization is given up to 90 days from the date of the seriously deficient Notice to provide a Corrective Action Plan (CAP). The CAP must be deemed adequate by the Missouri Department of Health and Senior Services – Bureau of Community Food and Nutrition Assistance (MDHSS – BCFNA) with documentation of how full and permanent correction of the serious deficiency findings will be implemented.

If MDHSS-BCFNA determines that the CAP is adequate, the seriously deficient determination will be “temporarily deferred”. If the CAP is deemed inadequate to fully and permanently correct the required actions, MDHSS-BCFNA will propose to terminate the CACFP contract. The list of serious deficiencies is not identical for each category of institution (new, renewing, and participating) because the type of information likely to be available to the State agency (MDHSS-BCFNA) is different. Serious deficiencies for participating institutions are:

- A. Submission of false information on the institution’s application, including but not limited to a determination that the institution has concealed a conviction for any activity that occurred during the past seven years and that indicates a lack of business integrity. A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice or any other activity indicating a lack of business integrity as defined by MDHSS-BCFNA;
- B. Permitting an individual who is on the National Disqualified List to serve in a principal capacity with the institution or, if a sponsoring organization, permitting such an individual to serve as a principal in a sponsored shelter;
- C. Failure to operate the Program in conformance with the performance standards set forth in federal regulations;
- D. Failure to comply with the bid procedures and contract requirements of applicable federal procurement regulations;
- E. Failure to comply with the bid procedures and contract requirements of applicable Federal procurement regulations;
- F. Failure to maintain adequate records;
- G. Failure to adjust meal orders to conform to variation in the number of participants;

- H. Claiming reimbursement for meals not served to participants;
- I. Claiming reimbursement for a significant number of meals that do not meet Program requirements;
- J. Use of a food service management company that is in violation of health codes;
- K. Failure of a sponsoring organization to disburse payments to its facilities in accordance with federal regulations at 226.16(g) and (h) or in accordance with the sponsor's management plan;
- L. Claiming reimbursement for meals served by a for-profit child care center or a for-profit outside-school hours care center during a calendar month in which less than 25 percent of the children in care (enrolled or licensed capacity, whichever is less) were eligible for free or reduced-price meals or were title XX beneficiaries;
- M. Claiming reimbursement for meals served by a for-profit adult day care center during a calendar month in which less than 25 percent of its enrolled adult participants were title XIX or title XX beneficiaries;
- N. Failure by a sponsoring organization of day care homes to properly classify day care homes as tier I or tier II in accordance with 226.15(f);
- O. Failure of a sponsoring organization to properly train or monitor sponsored facilities in accordance with 226.16(d);
- P. Use of day care home funds by a sponsoring organization to pay for the sponsoring organization's administrative expenses;
- Q. Failure to perform any of the other financial and administrative responsibilities required by the regulations;
- R. Failure to properly implement and administer the day care home termination and administrative review provisions set forth;
- S. The fact that the institution or any of the institution's principals have been declared ineligible for any other publicly funded program by reason of violation of that program's requirements. However, this prohibition does not apply if the institution or the principal has been fully reinstated in, or is now eligible to participate in that program, including the payment of any debts owed;
- T. Conviction of the institution or any of its principals for any activity that occurred during the past seven years and that indicates lack of business integrity. A lack of business integrity includes fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice, or any other activity indicating a lack of business integrity as defined by the State agency; or
- U. Any other action affecting the institution's ability to administer the Program in accordance with Program requirements.

If MDHSS-BCFNA determines that a center or a sponsoring organization has committed one or more of the serious deficiencies listed in this policy, MDHSS-BCFNA will initiate action to terminate the contract of the center or sponsor and any responsible principals or responsible individuals. Responsible principals and responsible individuals are defined in Section 1.5.

MCHSS-BCFNA will notify the center's executive director and chairman of the board of directors that the center has been determined to be seriously deficient. The notice will identify the basis for the serious deficiency(ies), the responsible principals and the responsible individuals, and will identify the timeframe for corrective action. The serious deficiency determination is not subject to appeal.

If a center fails to fully and permanently correct the serious deficiency, MDHSS-BCFNA will take actions to terminate the contract with center or sponsor, and to place the center and its responsible principals and responsible individuals on the National Disqualified List. See policy 10.5 for procedures regarding terminations.

If corrective action has been taken to fully and permanently correct the serious deficiencies within the timeframes specified in the notice of serious deficiency, MDHSS-BCFNA will notify the center's or sponsor's executive director and chairman of the board, and the responsible principals and responsible individuals, that MDHSS-BCFNA has temporarily deferred the serious deficiency determination. However, if it is found at any future review that the center or sponsor has failed to fully and permanently correct the serious deficiency(ies) noted in the initial serious deficiency notification, MDHSS-BCFNA will propose to terminate the center's or sponsor's CACFP contract without further opportunity for corrective action.

Reference: CACFP 226.6(c)(3)